



SENATE LOCAL GOVERNMENT

EXHIBIT NO. 3

DATE 1.21.09

BILL NO. SB17

## Written Testimony – SB17

Wednesday, January 21, 2009

3:00 PM

RM 405

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Chairman Esp;

The Montana Building Industry Association (MBIA) is the Association of home builders and related industries in Montana. We have 2300 small business members, employing over 26,000 people across Montana. We have 9 local associations and build between 65 – 80% of Montana's homes each year.

It is with regret that we appear before the committee in opposition to SB17. We have worked closely with the bill sponsor on water issues, unfortunately we .

Under Montana law there are three ways for a builder to provide water to a home;

- Connect to a municipal system
- Build a privately owned community water system
- Drill and individual water well

Approximately half of the homes in Montana are built within the boundaries of a city and are connected to a municipal water system. An additional 20% of homes are connected to a privately owned community water system. The remaining 30% of homes in Montana receive their water through individual water wells.

However, if a subdivision is proposed inside one of Montana's closed basins a community water system is not a viable option. Under the process outlined by HB831 (2005) the DNRC has not granted a new water right.

Additionally, many municipalities are requiring a subdivider to cede water rights in order to be annexed into the city and receive a connection to the municipal water system. Unfortunately, water rights are severely expensive and often make the prospect of land development cost prohibitive. What is worse is that many land owners are having trouble finding a water right in which they can purchase.

As a result of the water right permit process, the only viable option for getting water to a home inside of a closed basin is to service homes with individual water wells. If this option does not exist, there isn't an alternative solution.

Though SB17 does not eliminate the exemption entirely, we believe it would have prevented over the creation 3,800 buildable lots over the previous 6 years. Additionally, SB17 will lead to



Stewart, SB17

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larger lot sizes and smaller subdivisions. The result of which will be significantly contribute to "sprawl."

We understand that a few organizations are concerned with the water right exemption for individual wells and that SB17 is an attempt to curb the use of the exemption.

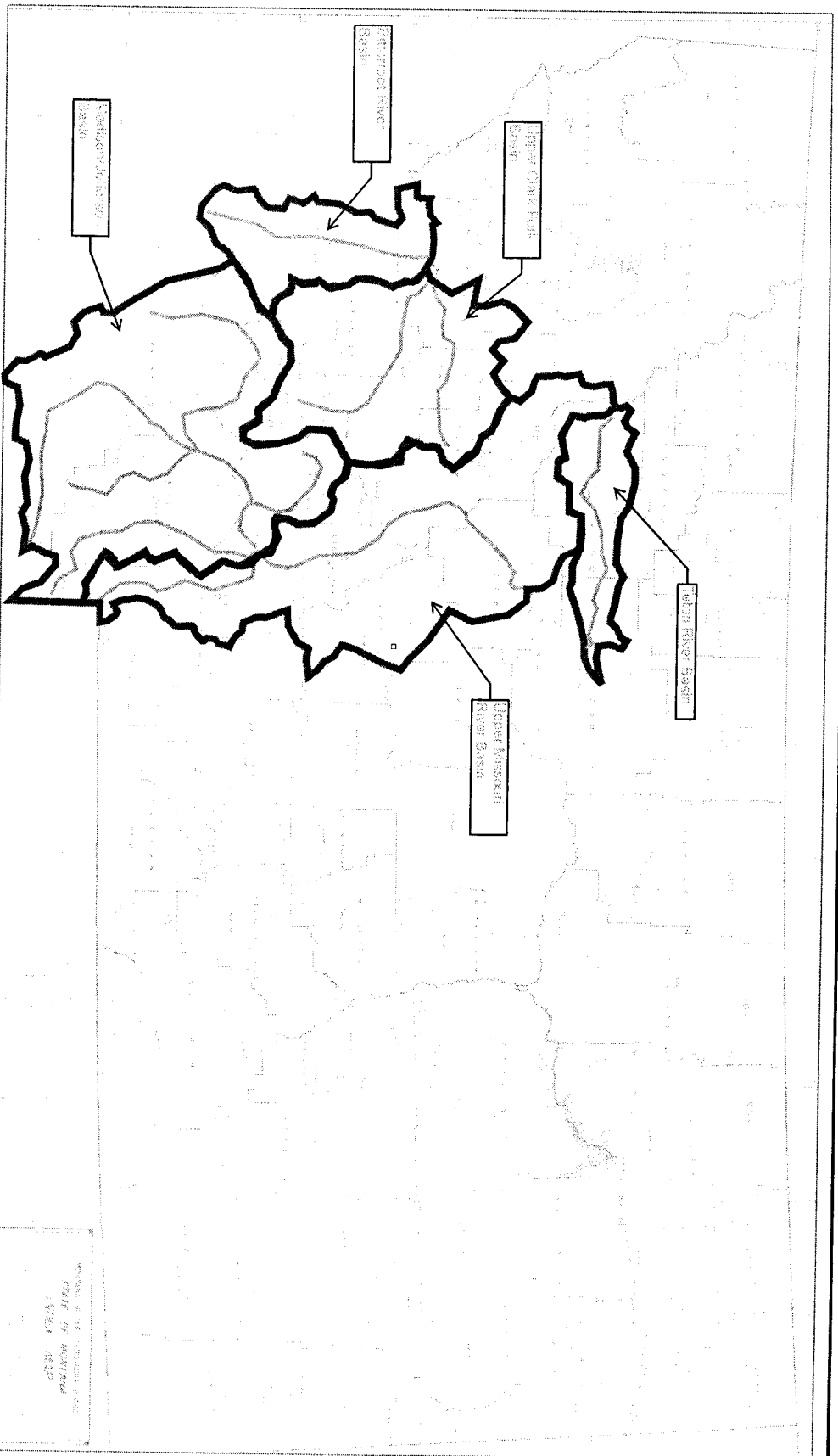
It is the MBIA's position that the individual well exemption must be preserved in its current form until;

- A comprehensive analysis of groundwater resources has been completed.
  - o And that this study shows a significant effect of exempt wells on Montana's surface water.
- The water rights permit process has been adequacy improved and a new community water system can be permitted.

To be clear, SB17 looks to address a problem that has not been proven to exist and eliminates the only tool currently available to provide water to new homes in most of Western Montana.

Sincerely,

Rick Hill  
Montana Building Industry Association



Date: 05/05/08  
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NICKLIN  
EARTH & WATER, INC.

## Closed Basins in Montana Water Resources Evaluation

Figure ES-1